



First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018-4214
Tel 847 318-7575
Fax 847 318-7588
<http://www.firstunion.com/rail>

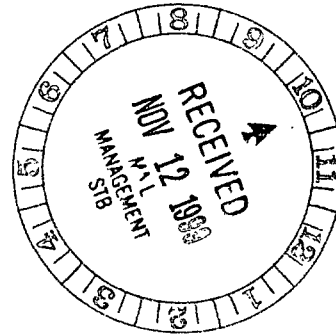
RECORDATION NO. 22531 FILED

NOV 18 '99

10-40AM

VIA UPS NEXT DAY AIR

November 10, 1999



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated October 8, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

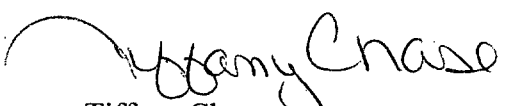
Lessee: Albany and Eastern Railroad Company
265 Tangent Street
Lebanon, OR 97355

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase
Manager of Documentation

Enclosures

(AERC005)

EXHIBIT A
to
RIDER NO. 4

RECORDATION NO. 22531 FILED
NOV 18 '99 10-40AM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 8th day of October, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Albany & Eastern Railroad Company ("Lessee"), an Oregon corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of April 7, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 4 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of SEPTEMBER 1, 1999 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: K.A. Dombrowski
Name: K.A. DOMBROWSKI
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 8th day of October, 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State
aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and
acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 8th day of October,
1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)

LESSEE:

ALBANY AND EASTERN RAILROAD COMPANY

ATTEST:

By: Lora Hoffmann
Name: Lora Hoffmann
Title: Asst. Secy.

By: Mike Root
Name: MIKE Root
Title: PRESIDENT

Executed on this 10th day of Sept, 1999.

[CORPORATE SEAL]

STATE OF Oregon

COUNTY OF Linn

I, Joli Root, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 24 day of September, 1999.

Joli Root
Notary Public

My Commission Expires: 12/6/02

Joli Root
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty-five (25)

DESCRIPTION OF CARS: 73 ft. Centerbeam Flatcars

CAR NUMBERS: See below:

AERC	7350
AERC	7351
AERC	7352
AERC	7353
AERC	7354
AERC	7355
AERC	7356
AERC	7357
AERC	7358
AERC	7359
AERC	7360
AERC	7361
AERC	7362
AERC	7363
AERC	7364
AERC	7365
AERC	7366
AERC	7367
AERC	7368
AERC	7369
AERC	7370
AERC	7371
AERC	7372
AERC	7373
AERC	7374